

IN THE
INDIANA TAX COURT

NO.49T10-9309-TA-70

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| TOWN OF ST. JOHN, et at., |) |
| |) |
| Petitioners, |) |
| |) |
| v. |) |
| |) |
| DEPARTMENT OF LOCAL |) |
| GOVERNMENT FINANCE as successor |) |
| to the STATE BOARD OF TAX |) |
| COMMISSIONERS, |) |
| |) |
| Respondent. |) |

MONTHLY REPORT 39

As successor to the State Board of Tax Commissioners, this is monthly report thirty-nine from the Department of Local Government Finance under the Court's order dated May 31,2000,729 N.E.2d 242,247. The report explains the Department's activities during August 2003 to implement the Court's order.

Lake County Reassessment

Employees of the Department met with Lake County contractors in Indianapolis August 6,2003. Cole Layer Trumble provided the Department with a monthly progress report as well as an updated executive summary. *See attached Summary*. CLT is nearly complete with all of the field review and data maintenance of this project. The contractors and the Department are now focusing on the completion of the equalization

phase of the reassessment. Both CLT and Crowe will perform independent equalization studies in order to ensure accuracy and increase the quality of the reassessment.

CLT and the Department continue to prepare for the next phase of this reassessment project, the appeal phase. CLT is working on securing a location at which to hold the informal hearings and preparing to install the hearing-tracking module that will be used by CLT and the Department. The Department is drafting procedural rules to be used during the informal appeal process and the Form 11 notice of reassessment for Lake County taxpayers. CLT is preparing an informational video and brochures about the reassessment and appeals process. This video will play in the offices where the hearings will be held and will also be provided to local assessing officials. A brochure and cover letter to assist taxpayers with understanding how to equate true-tax-value to market value will be included with the Form 11 mailing. The Department has recently hired a new attorney who will help oversee the Lake County appeals, among other duties.

Manatron continues to offer advice to Lake County officials regarding digital image solution selection. Manatron is also working with Crowe Chizek to produce an owner file for Lake County property as of the 2002 assessment date. Manatron provided the Department a status update on their custom batch costing screen and input on how to get data from the CAMA system to the county's MVP Tax System.

Crowe Chizek, as the quality control arm of the project, continues to provide audit checks and updates on potential data issues. In addition, Crowe is obtaining MLS data through the Greater Northwest Indiana Association of Realtors in order to provide a further check on the validity of the equalization.

Software Certification

The Department of Local Government Finance will not approve final budgets, rates and levies for counties that have not provided final certification of software programs. The Department recently certified the fifth software vender in the state, Appraisal Research. Eighty-three (83) counties are fully certified; 3 in house, and 80 using vender packages.

Budgets

The Department has certified 26 county budgets for assessment year 2002: Adams, Bartholomew, Delaware, Dubois, Gibson, Hamilton, Hancock, Howard, Jay, Jennings, Johnson, Marion, Monroe, Morgan, Ohio, Posey, Scott, Sullivan, Switzerland, Tippecanoe, Tipton, Vanderburgh, Wabash, Warren, Warrick and Wells. *See attached Reassessment Status Map.*

Counties of Concern

As the 2002 pay 2003 year approaches fall, there are still several counties that have not submitted equalization studies to the Department. Others have not yet certified their software locally. On August 29, 2003, the Department sent a memorandum to these counties' assessor, auditor, treasurer, president of the county council, president of the county commissioners, and county attorney, as well as legislators serving these counties, expressing the Department's concern about the progress of the reassessment. The Department stressed the need for these responsible officials to take a proactive approach. The Department urged these counties to form a workgroup, if they have not already, in order to set a schedule for completion of the rest of the steps in the reassessment. Department staff has urged this approach in the past, and also has met with officials in

several counties to work out timelines. The Department also reminded county officials of the availability of provisional billing in those counties that have not adopted that measure. *The* Department included a timeline of the process from the date the Department receives a ratio study to the date a tax bill may be generated. The Department encouraged these counties to formulate a plan and timeline to complete the reassessment and seek out assistance if necessary. The letter was sent to the following counties: Allen, Brown, Clark, Crawford, Daviess, Dearborn, Hendricks, Henry, Jackson, Knox, Lawrence, Martin, Noble, Orange, Perry, Porter, Steuben, Washington and White.

Brown County

County officials, including the Brown County trustee assessors, have determined that they must rebid the contract for performance of the reassessment. The Department met with county officials this month to determine the next course of action. County officials have formed a workgroup to oversee progress. Department staff persons will serve as active participants in the reassessment process. The county will publish new specifications in September 2003. Brown County will also issue provisional bills in October .

Public Affairs

The Commissioner of the Department presented an update on the reassessment to the Legislative Interim Study Committee on Tax and Financing Policy on August 6, 2003. Ms. Henkel, along with local assessing officers and state officials, answered questions and addressed concerns of the committee. Ms. Henkel also testified concerning the specific findings by the Department about the six counties that had been certified and provided data for review.

Many Department employees participated in, taught at and attended the 2003 county assessors conference that was held in Indianapolis during mid-August. Ms. Henkel spoke at the opening dinner and Mr. Barrow, director of the assessment division, sat on the final day question and answer panel. Members of the assessment division and the general counsel taught classes. The public affairs staff provided all members attending with the most recent version of the *Communicator*. The most recent copy of the *Communicator* may be located on the Department's website. Ms. Henkel was also a speaker at the Indiana Association of Government Accountants on August 21, 2003.

County Ratio Studies

The Department has received seventy-one (71) county ratio studies and has approved fifty-nine (59) to date: Adams, Bartholomew, Benton, Blackford, Boone, Cass, Clinton, Decatur, Dekalb, Delaware, Dubois, Elkhart, Fayette, Floyd, Fountain, Franklin, Fulton, Gibson, Hamilton, Hancock, Harrison, Howard, Jay, Jefferson, Jennings, Johnson, Kosciusko, LaPorte, Madison, Marion, Marshall, Miami, Monroe, Montgomery, Morgan, Newton, Ohio, Owen, Pike, Posey, Pulaski, Putnam, Randolph, Ripley, Rush, Scott, Shelby, Starke, Sullivan, Switzerland, Tippecanoe, Tipton, Union, Vanderburgh, Wabash, Warren, Warrick, Wells and Whitley. This approval allows the county assessor to issue Form 11s and proceed forward with supplying the county auditor certified values.

Statewide Equalization Issues

The Department continues its efforts in-house and with outside experts to perform a statewide property tax reassessment equalization project, together with the Indiana Fiscal Policy Institute. Crowe Chizek, the IF PI, the Department and employees

of the State Budget Agency met with Manatron to discuss when county data would be available in the newly adopted data-set. The anticipated date is the end of September.

Lake County Steel Mills

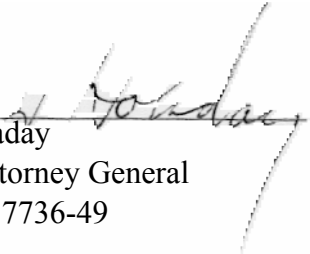
The Department conducted on-site visits at United States Steel, Gary works and Inland Steel the week of August 18th 2003. Members of the assessment division and the general counsel met with the tax representatives of these mills to discuss specific aspects of the valuation of the facility in addition to receiving an on site tour. The Department continues to gather the necessary supporting documentation for its assessment and anticipates a final certification of value in the near future.

Employment

The Department recently promoted its External Affairs Representative, Diana Boylls, to Training Director. The Department also hired Nandita Sheperd to fill their staff attorney position. Brian Berg, a law student from IUPUI will be serving as an intern for the Department this semester. The Department will be losing its assistant director of the budget division, Paige Gilpin, at the end of September.

Respectfully submitted,

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